

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 7916

BILL NUMBER: HB 1820

DATE PREPARED: Jan 10, 2001

BILL AMENDED:

SUBJECT: Pension benefits and retiree health insurance.

FISCAL ANALYST: James Sperlik

PHONE NUMBER: 232-9866

FUNDS AFFECTED:

**GENERAL
DEDICATED
FEDERAL**

IMPACT: Pending

Summary of Legislation: Deletes the provision under which a surviving spouse's eligibility to continue health insurance coverage formerly held by a retired state or local employee terminates two years after the death of the retired employee. Provides that retirement benefits for members of the public employees' retirement fund (PERF) and the Indiana state teachers' retirement fund (TRF) are based on the three years of service (rather than five years of service) in which the member's compensation was highest. Increases the multiplier used in computing PERF and TRF benefits from 1.1% to 1.5%. Provides that for purposes of determining a TRF member's pension benefits, the member's "annual compensation" includes the additional amount that would have been paid to the member under the member's employment contract if the member had not taken unpaid leave of absence during the year to serve in the general assembly. Increases the amount of severance pay included in the determination of final average salary for purposes of computing PERF and TRF benefits from \$2,000 to \$5,000.

Effective Date: July 1, 2001.

Explanation of State Expenditures: *As of the above date, the fiscal analysis of this bill has not been completed. Please contact the Office of Fiscal and Management Analysis for an update of this fiscal impact statement.*

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected:

Local Agencies Affected:

Information Sources: